

# EXHIBIT 2

**ASSET PURCHASE AGREEMENT**

**BY AND AMONG**

**ST. JOSEPH MEDICAL CENTER, INC.,**

**ST. JOSEPH PHYSICIAN ENTERPRISE, INC.,**

**TOWSON MANAGEMENT, INC.,**

**CATHOLIC HEALTH INITIATIVES,**

**UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION,**

**UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL CENTER, LLC,**

**UMSJ HEALTH SYSTEM, LLC,**

**UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL GROUP, LLC**

**AND**

**UMSJ PROPERTIES, LLC**

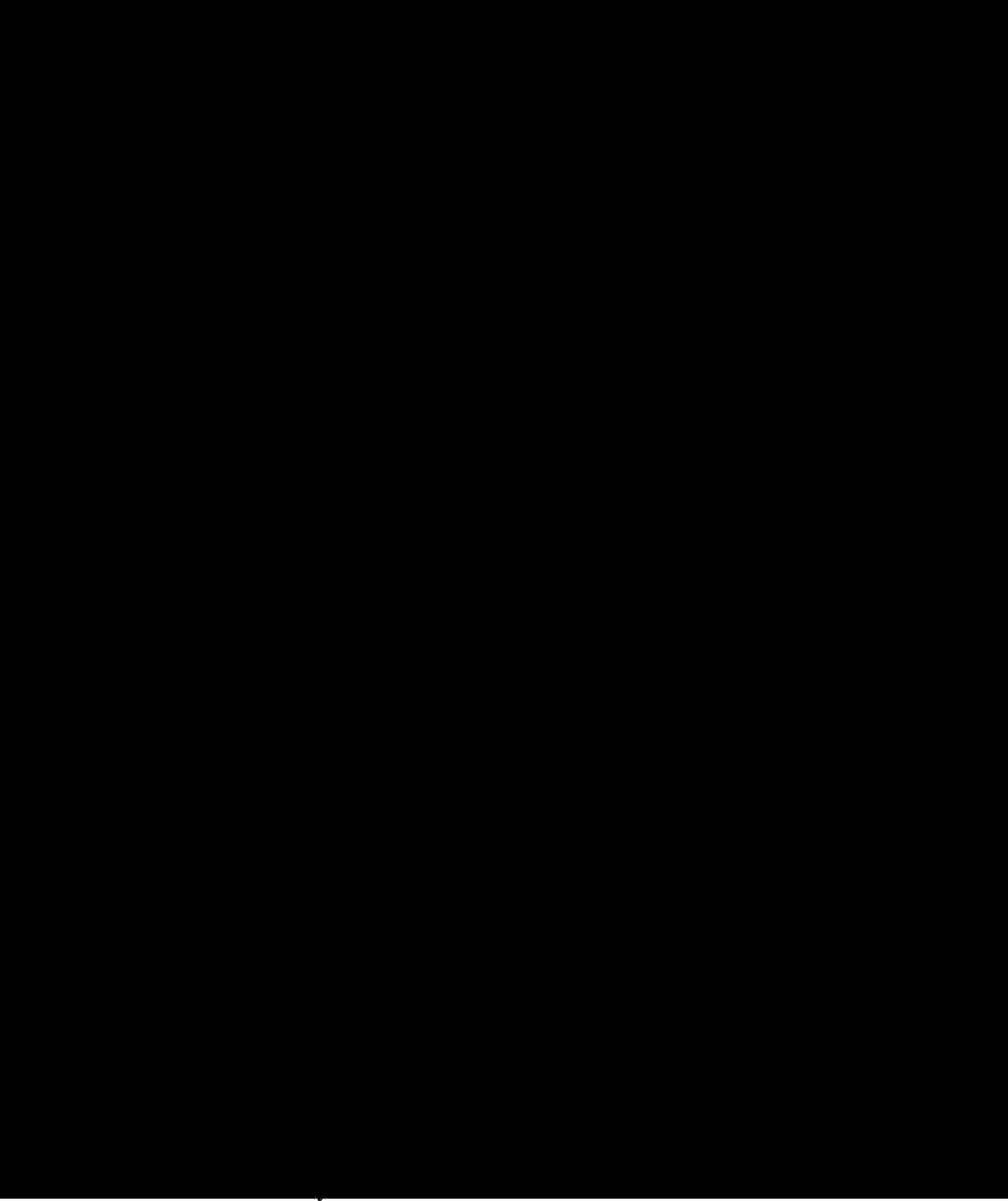
**DATED AS OF NOVEMBER 30, 2012**





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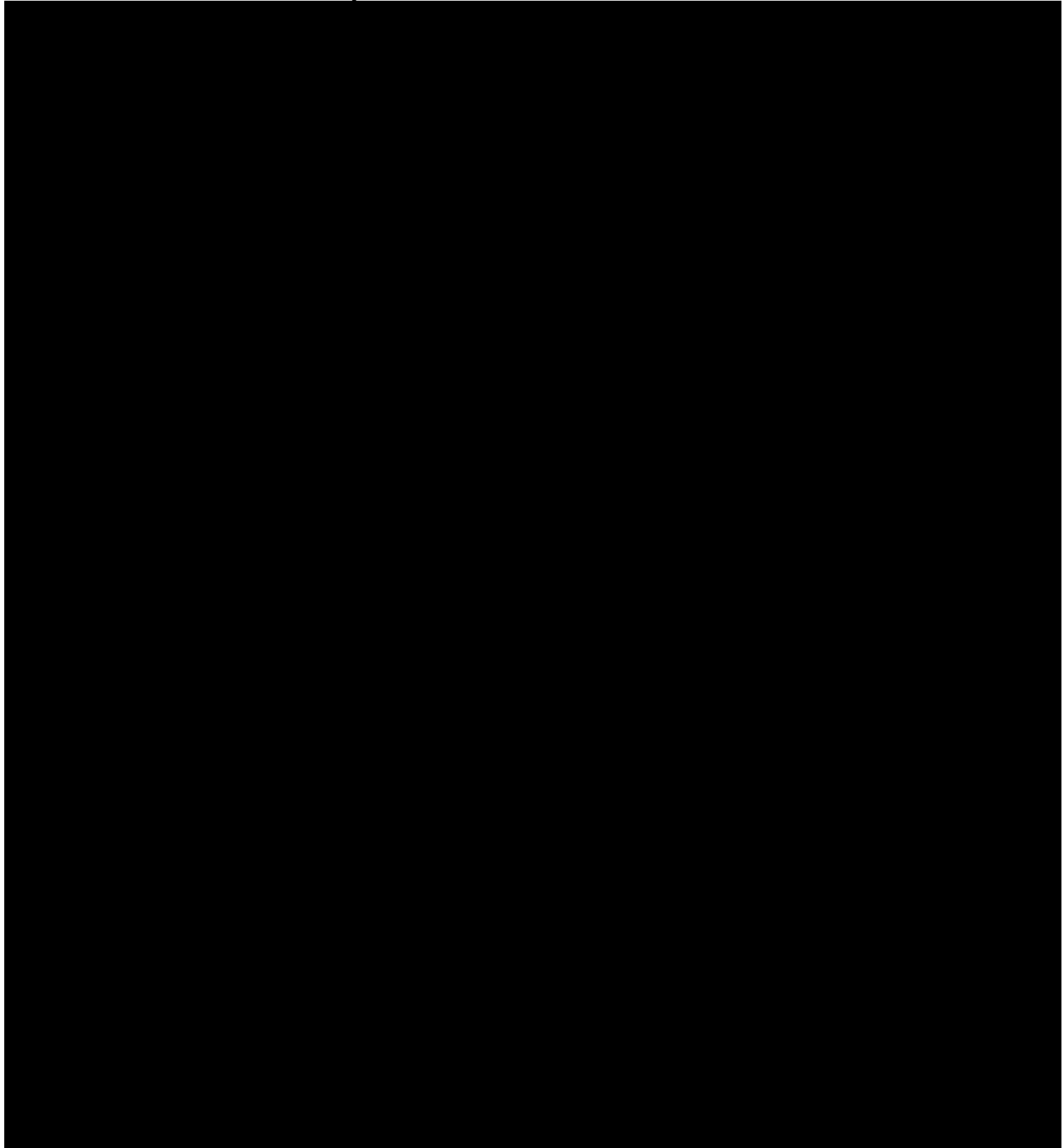
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## EXECUTION COPY

**ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT, effective as of November 30, 2012 (the “Commitment Date”), is made and entered into by and among UNIVERSITY OF MARYLAND MEDICAL SYSTEM CORPORATION, a Maryland nonprofit corporation (“UMMS”), UMSJ HEALTH SYSTEM, LLC, a Maryland limited liability company (“UMSJHS”), UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL CENTER, LLC, a Maryland limited liability company (“UMSJMC”), UNIVERSITY OF MARYLAND ST. JOSEPH MEDICAL GROUP, LLC, a Maryland limited liability company (“UMSJMG”), UMSJ PROPERTIES, LLC, a Maryland limited liability company (“UMSJP”), ST. JOSEPH MEDICAL CENTER, INC., a Maryland nonprofit corporation (“SJMC”), ST. JOSEPH PHYSICIAN ENTERPRISE, INC., a Maryland nonprofit corporation (“SJPE”), TOWSON MANAGEMENT, INC., a Maryland corporation (“TMI”), and CATHOLIC HEALTH INITIATIVES, a Colorado nonprofit corporation (“CHI”). UMSJHS, UMSJMC, UMSJMG and UMSJP are sometimes referred to, individually, as a “Buyer” and, collectively, as the “Buyers.” SJMC, SJPE, and TMI are sometimes referred to, individually, as a “Seller” and, collectively, as the “Sellers.” UMMS, Buyers, Sellers, and CHI are sometimes referred to, individually, as a “Party” and, collectively, as the “Parties.”

**RECITALS**

A. Sellers operate an integrated health care delivery system that provides health care services to individuals throughout the Baltimore-Towson, Maryland metropolitan area (the “Service Area”).

B. SJMC owns and operates St. Joseph Medical Center, a general acute care hospital located at 7601 Osler Drive, Towson, Maryland (the “Hospital”), including, without limitation, certain real property and improvements comprising the Hospital, the furniture, fixtures, equipment, and other tangible personal property used in connection with the operation of the Hospital and other tangible and intangible assets related to the provision of health care services in the Service Area.

E. UMMS owns and operates the University of Maryland Medical Center, is the sole corporate member of multiple community health systems and is the sole member of UMSJHS.



































































































































































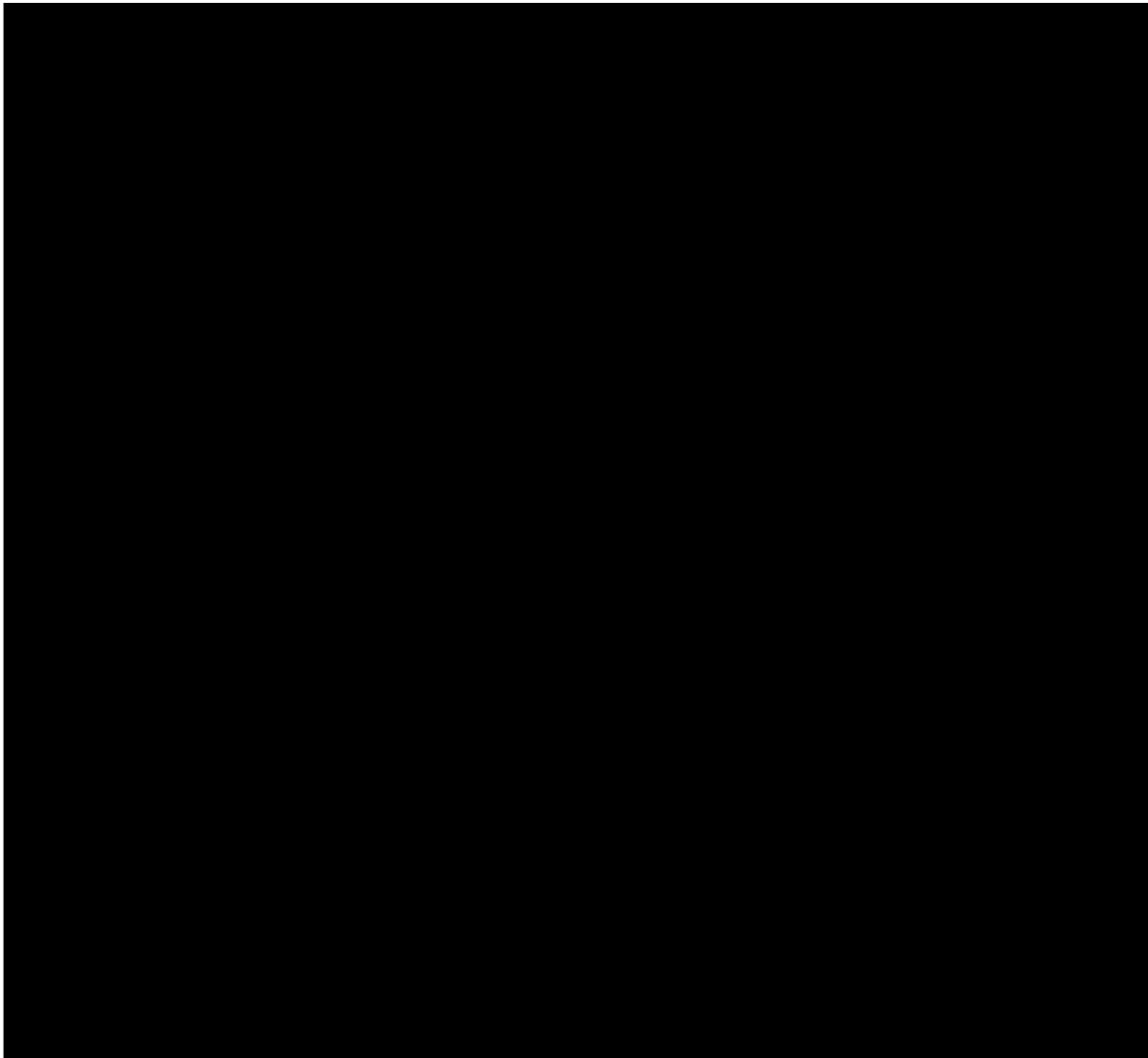












(ii) One of the UMSJHS Board members would be a representative of the Archdiocese of Baltimore;



(iv) UMMS would have the right to directly appoint two (2) voting members of the UMSJHS Board; and

(v) The members of the UMSJHS Board not identified in Section 12.16(a)(ii), (iii) or (iv) shall be appointed by UMMS among individuals identified pursuant to a nomination process set forth in the organizational documents of UMSJHS.

(c) UMSJMC Board. UMMS and UMSJHS shall ensure that members of the UMSJHS Board constitute the members of the board of directors of UMSJMC (the “UMSJMC Board”).

#### **12.17 Catholic Identity.**

UMMS and Buyers shall continue to operate the Health System Businesses in a manner consistent with Catholic values and principles, which UMMS and Buyers acknowledge requires the Health System Businesses to be held accountable for such Catholic identity and with a formal reporting mechanism with objective measures with respect to such accountability. UMMS and Buyers shall ensure that the Health System Businesses establish and maintain the following fundamentals to hold the Health System Businesses accountable for their Catholic identity:

(a) Organizational Structure. UMMS and UMSJHS shall provide the UMSJHS Board with the authority and responsibility for maintaining Catholic identity by assuring the operationalization of the Ethical and Religious Directives for Catholic Health Services, as promulgated by the United States Conference of Catholic Bishops (the “ERDs”), and for maintaining oversight of community benefits and spiritual care programs. Notwithstanding the foregoing, if the ERDs are subsequently amended and a majority of the UMSJHS Board determines the modifications to be unduly onerous on UMSJHS’s operation of the Health System Businesses, then Buyers shall not be required to comply with such modification upon approval of a majority vote of the UMSJHS Board. The UMSJHS Board will include a representative from the Archdiocese of Baltimore to provide guidance about the authenticity of the Health System Businesses’ Catholic identity and mission, as expressed through its vision, values and management practices. UMMS and UMSJHS shall ensure that the UMSJHS Board will establish a committee of the UMSJHS Board charged with overseeing the continued mission integration throughout the Health System Businesses and that the Health System Businesses’ executive team will include a Vice President, Mission Integration, who will have a direct reporting relationship to the UMSJHS Board and will coordinate and assist in the Health System Businesses’ efforts to integrate the Catholic mission into the structures, policies, programs and practices throughout the Health System Businesses. The Vice President, Mission Integration will also be responsible for monitoring the Health System Businesses’ ongoing efforts toward mission integration and will submit an annual accountability report to the

UMSJHS Board for review and approval. These annual reports will also be shared with the Ordinary of the Archdiocese of Baltimore.

